

BEFORE THE
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
WASHINGTON, D. C.
ORDER NO. 721

IN THE MATTER OF:

Served July 11, 1967

School Fare Subsidy Certification)
to the Commissioners of the District)
of Columbia for Fiscal Period Ending)
August 31, 1966 - WMA Transit)
Company.)

Under Public Law 87-507, approved June 28, 1962, the Washington Metropolitan Area Transit Commission is charged with the duty of certifying to the Commissioners of the District of Columbia data pertaining to the income from mass transportation operations in the District of Columbia of any common carrier required to furnish transportation to school children at a reduced fare by Act of Congress of August 9, 1955.

WMA Transit Company, 4421 Southern Avenue, S. E., Washington, D. C., 20019, furnishes transportation which comes within the purview of Public Law 87-507.

The Law specifies that the fiscal period shall be for the twelve months ended on August 31, and that the "net operating income" shall pertain to "mass transportation operations in the District of Columbia." Accordingly, this Commission has prepared an Operating Statement for WMA Transit for the twelve months ended August 31, 1966, based on an audit by the Commission's accounting staff of the books and records of the Company.

After determining that WMA's net operating income for the fiscal year ending August 31, 1966, amounted to \$318,727.53, allocation was made between "mass transportation operations in the District of Columbia" and all other operations of the Company, using formulas based on relative miles and hours operated, and passengers carried.

As a result of these allocations, it was determined that WMA Transit's "mass transportation operations in the District of Columbia" for the fiscal year ending August 31, 1966, resulted in a net operating loss of \$49,684.96. It is to be noted that the procedures and allocations described above were utilized only in order to give effect to the specific circumscriptions of Public Law 87-507.

The Audited Operating Statement of WMA Transit Company for the twelve months ended August 31, 1966, and schedules showing development of the allocation factors, are appended to this Order.

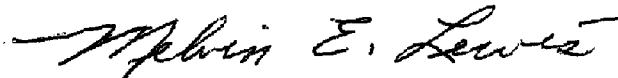
Certification to the Commissioners
of the District of Columbia

Based on the findings set forth herein, the Washington Metropolitan Area Transit Commission hereby certifies to the Commissioners of the District of Columbia, with respect to WMA Transit Company, for the twelve months ended August 31, 1966, as follows:

1. a. Total of all reduced fares paid to WMA Transit by school children in accordance with Act of Congress (206,410 fares at 10 cents) \$ 20,641.00
- b. Amount which would have been paid if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation (206,410 fares at 25 cents) \$ 51,602.50
- c. Difference (206,410 fares at 15 cents equals \$30,961.50) 30,961.50
2. a. Gross operating revenues of WMA Transit for the twelve months ended August 31, 1966, applicable to mass transportation operations in the District of Columbia, exclusive of any school fare subsidy \$277,219.85
- b. Rate of return established by the regulatory commission having jurisdiction in carrier's last rate case (WMATC Order No. 312, issued September 20, 1963) 2.23%
- c. Indicated return allowable \$ 6,182.00

d. Net operating income or (loss) from mass transportation operations in the District of Columbia for the twelve months ended August 31, 1966, after giving effect to tax exemptions, and exclusive of any school fare subsidy	\$ (49,684.96)
e. Deficiency	\$ 55,866.96
3. Subsidy for which WMA Transit Company is eligible:	\$ 30,961.50
Maximum (l.c.)	\$30,961.50
Limitation imposed by 2.e.	\$55,866.96
Certified herein	\$30,961.50

BY DIRECTION OF THE COMMISSION:



MELVIN E. LEWIS
Executive Director

WMA TRANSIT COMPANY
OPERATING STATEMENT FOR FISCAL YEAR ENDED AUGUST 31, 1966
AND ALLOCATIONS TO DETERMINE NET OPERATING INCOME
FROM MASS TRANSPORTATION OPERATIONS IN THE DISTRICT OF COLUMBIA

	Total Company Operations Per WMATC Audit	Method of Allocating to Mass Trans- portation Operations	Allocation to Mass Transit Operations	Method of Allocating Mass Transportation Operations to D. C.	Allocation to Mass Transportation Operations in the District of Columbia
<u>Operating Revenues</u>					
Regular Route Revenues	\$1,845,907.82	Direct	\$1,845,907.82	Direct	\$275,748.88
Charter Bus Revenues	499,516.50	Direct	-0-	Direct	-0-
Other Operating Revenues:					
Apartment Subsidies	26,550.00	Direct	26,550.00	Direct	-0-
Other	<u>12,659.54</u>	(R)	<u>9,844.03</u>	(R)	<u>1,470.97</u>
Total Operating Revenues	\$2,384,633.86		\$1,882,301.85		\$277,219.85
<u>Operating Revenue Deductions</u>					
Equipment Maintenance and Garage Expense:					
Repairs - Revenue Equipment	173,715.04	(M)	146,146.46	(M-P)	15,790.69
Tires and Tubes	39,487.80	(M)	33,221.09	(M-P)	3,589.44
All Other	128,853.18	(M)	108,404.19	(RRP)	30,288.14
Transportation Expense:					
Supervision - Transportation	76,365.21	(H)	60,168.15	(RRP)	16,810.98
Drivers' Wages and Bonuses	682,393.37	Direct (H)	536,595.43	(T-P)	77,026.19
Fuel and Oil - Revenue Equipment	102,282.56	(M)	86,050.31	(M-T)	10,773.50
Road Expense	35.44	(M)	29.82	(RRP)	8.33
Other Transportation Expense	8,817.09	Direct	4,640.81	(RRP)	1,296.64
Traffic, Solicitation and Advertising Expense	55,490.11	Direct	45,493.19	(RRP)	12,710.80
Insurance and Safety Expense:					
Public Liability Insurance	95,233.18	(TSP)	80,567.27	(RRP)	22,510.50
Property Damage Insurance	18,134.67	(M)	15,256.70	(M-P)	1,648.44
All Other	23,813.97	Direct (H)	18,785.94	(RRP)	5,248.80
Administrative and General Expense:					
Employee Welfare Expense	8,839.22	(H)	6,964.42	(T-P)	999.72
All Other	<u>181,186.90</u>	(H)	<u>140,306.44</u>	(RRP)	<u>39,201.62</u>
Total Operating and Maintenance Expenses	\$1,594,647.74		\$1,282,630.22		\$237,903.79

	Total Company Operations Per WMATC Audit	Method of Allocating to Mass Trans- portation Operations	Allocation to Mass Transit Operations	Method of Allocating Mass Transportation Operations to D. C.	Allocation to Mass Transportation Operations in the District of Columbia
<u>Depreciation Expense</u>					
Buses	\$ 144,655.18	Direct (H)	\$ 115,221.95	(RRP)	\$ 32,193.06
All Other	<u>34,380.94</u>	(H)	<u>27,824.88</u>	(RRP)	<u>7,774.27</u>
Total Depreciation Expense	\$ 179,036.12		\$ 143,046.83		\$ 39,967.33
<u>Operating Taxes</u>					
Federal and State Gas and Oil Tax	91,924.96	(M)	77,336.47	(M-T)	9,682.53
Vehicle Tags	24,123.64	(H)	19,007.02	(RRP)	5,310.56
Tire and Tube Taxes	7,177.87	(M)	6,038.74	(M-P)	652.47
Payroll Taxes	48,343.03	(H)	38,089.47	(T-P)	5,467.60
All Other Taxes	<u>8,337.07</u>	(H)	<u>6,568.78</u>	(RRP)	<u>1,835.32</u>
Total Taxes	\$ 179,906.57		\$ 147,040.48		\$ 22,948.48
<u>Operating Rents</u>					
Equipment Rents	38,485.20	(M)	32,377.60	(RRP)	9,046.30
Other Operating Rents	<u>73,023.26</u>	(M)	<u>61,434.47</u>	(RRP)	<u>17,164.79</u>
Total Operating Rents	\$ 111,508.46		\$ 93,812.07		\$ 26,211.09
Total Operating Revenue Deductions	<u>\$2,065,098.89</u>		<u>\$1,666,529.60</u>		<u>\$327,030.69</u>
Net Operating Revenue before Provision for Income Taxes	\$ 319,534.97		\$ 215,772.25		\$(49,810.84)
Provision for Income Taxes	<u>807.44</u>	Note A	<u>545.26</u>	Note A	<u>(125.88)</u>
Net Operating Income (Loss)	<u>\$ 318,727.53</u>		<u>\$ 215,226.99</u>		<u>\$(49,684.96)</u>

Code for Methods of Allocation:

(R)	Revenue
(RRP)	Regular Route Passengers
(M-P)	Mileage and Passengers
(T-P)	Time and Passengers
(M-T)	Average of (M-P) and (T-P)
(M)	Mileage
(H)	Driver's Hours
(TSP)	Total System Passengers

Note A Income Tax is allocated by applying the overall effective tax rate to each segment of Company's operations.

WMA TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDING AUGUST 31, 1966

BASES

FACTORS

(R)

Revenue

Regular Route Revenue:		
D. C. Local	\$ 275,749.00	11.76%
Maryland and Interstate	1,570,158.82	66.94%
Other Than Mass Transit	<u>499,516.50</u>	<u>21.30%</u>
Total Regular Route Revenue	\$2,345,424.32	<u>100.00%</u>
Apartment Subsidies	26,550.00	
Other	<u>12,659.54</u>	
Total Revenue	<u>\$2,384,633.86</u>	

(RRP)

Regular Route Passengers

(TSP)

Total System Passengers

Passengers
Carried During
Fiscal Year

(a) D. C. Local	1,372,830
(b) Interstate - Local	1,065,808
(c) Interstate - Express	1,968,734
(d) Maryland Local	506,347
(e) Charter	<u>894,717</u>
Total Passengers	<u>5,808,436</u>

Passengers Assigned to D. C. (a)	1,372,830	(RRP) 27.94%	(TSP) 23.64% (a)
Passengers Assigned to Other than D. C. (b+c+d)	3,540,889	72.06%	60.96% (b)
Passengers Assigned to Charter (e)	894,717	-	15.40% (c)
		<u>100.00%</u>	<u>100.00%</u>

(M-P)

Mileage-Passengers

Scheduled Bus Miles:		
D. C.	632,386	19.20% (d)
Maryland	<u>2,661,290</u>	<u>80.80%</u> (e)
Total Regular Route Scheduled Miles	<u>3,293,676</u>	<u>100.00%</u>
Regular Route Miles In:		
D. C.	632,386	16.15% (f)
Maryland	2,661,290	67.98% (g)
Charter	<u>621,219</u>	<u>15.87%</u> (h)
Total Regular Route Actual Miles	<u>3,914,895</u>	<u>100.00%</u>
Passengers Riding in D. C. - Local	1,372,830	56.29% (i)
Passengers Riding in D. C. - Interstate	<u>1,065,808</u>	<u>43.71%</u> (j)
Total	<u>2,438,638</u>	<u>100.00%</u>

WMA TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDING AUGUST 31, 1966

BASES

FACTORS

(M-P) Mileage-Passengers (continued)

Factors to be Used:

D. C. Local	(f) x (i)	9.09% (k)
Maryland and Interstate	(g) + ((f) x (j))	75.04% (l)
Other Than Mass Transit	(h)	<u>15.87% (m)</u>
		<u>100.00%</u>

(T-P) Time-Passengers

Regular Route Time:

D. C.	60,715	20.09% (n)
Maryland	177,383	58.70% (o)
Other Than Mass Transit	<u>64,097</u>	<u>21.21% (p)</u>
Total Regular Route Time	<u>302,195</u>	<u>100.00%</u>

Factors to be Used:

D. C. Local	(n) x (i)	11.31% (q)
Maryland and Interstate	(o) + ((n) x (j))	67.48% (r)
Other Than Mass Transit	(p)	<u>21.21% (s)</u>
		<u>100.00%</u>

(M-T) Average of Mileage-Passengers and Time-Passengers

	(M-P)	(T-P)	Average
D. C. Local	9.09%	11.31%	10.20% (t)
Maryland Interstate	75.04%	67.48%	71.26% (u)
Other Than Mass Transit	15.87%	21.21%	<u>18.54% (v)</u>
			<u>100.00%</u>

D. C. Local to Maryland and Interstate Ratio:

D. C. Local	10.20%	12.52% (w)
Maryland and Interstate	71.26%	<u>87.48% (x)</u>
		<u>100.00%</u>